

Joshua A. Sussberg, P.C.
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

Patrick J. Nash, Jr., P.C. (admitted *pro hac vice*)
Ross M. Kwasteniet, P.C. (admitted *pro hac vice*)
Christopher S. Koenig
Dan Latona (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle Street
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Counsel to the Post-Effective Date Debtors

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
)	
CELSIUS NETWORK LLC, <i>et al.</i> , ¹)	Case No. 22-10964 (MG)
)	
Debtors.)	(Jointly Administered)
)	

NOTICE OF FILING OF AUGUST 27, 2024 HEARING PRESENTATION

PLEASE TAKE NOTICE that the above-captioned post-effective date debtors (the “Post-Effective Date Debtors” and, prior to the Effective Date, the “Debtors”) hereby file the presentation (the “Presentation”), attached hereto as **Exhibit A**, that will be used at the hearing that will take place on **Tuesday, August 27, 2024 at 10:00 a.m., prevailing Eastern Time** (the “Hearing”) before the Honorable Martin Glenn, Chief United States Bankruptcy Judge of the United States Bankruptcy Court for the Southern District of New York.

¹ The Post-Effective Date Debtors in these chapter 11 cases, along with the last four digits of each Post-Effective Date Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Post-Effective Date Debtor Celsius Network LLC’s principal place of business and the Post-Effective Date Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

PLEASE TAKE FURTHER NOTICE that copies of the Presentation and other pleadings filed in the above-captioned chapter 11 cases may be obtained free of charge by visiting the website of Stretto at <http://www.cases.stretto.com/celsius>. You may also obtain copies of any pleadings by visiting the Court's website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

[Remainder of page intentionally left blank]

New York, New York
Dated: August 26, 2024

/s/ Joshua A. Sussberg

KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP

Joshua A. Sussberg, P.C.
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
Email: joshua.sussberg@kirkland.com

- and -

Patrick J. Nash, Jr., P.C. (admitted *pro hac vice*)
Ross M. Kwasteniet, P.C. (admitted *pro hac vice*)
Christopher S. Koenig
Dan Latona (admitted *pro hac vice*)
300 North LaSalle Street
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200
Email: patrick.nash@kirkland.com
ross.kwasteniet@kirkland.com
chris.koenig@kirkland.com
dan.latona@kirkland.com

Counsel to the Post-Effective Date Debtors

Exhibit A

Presentation



Overview of Plan Administrator's Report [Docket No. 7637]

The Plan Administrator is working to make distributions of Liquid Cryptocurrency, Cash, and MiningCo Common Stock to approximately 375,000 creditors located in over 165 different countries.

- In total, the Plan Administrator has made more than **2.7 million distribution attempts** for the 372,000 creditors currently eligible to receive a distribution.
- **251,000 creditors (or 67% of all eligible creditors) have successfully received a distribution, representing \$2.52 billion in value and 93% of the amount currently eligible to be distributed under the Plan.**
- The Plan Administrator has made consistent progress in making distributions to creditors.
 - The Plan Administrator distributed 65% of all eligible value, or approximately \$1.7 billion, to creditors in the two weeks following the Effective Date, and 80% of all eligible value, or approximately \$2 billion, by four weeks later.
 - The Plan Administrator has consistently **distributed approximately 30% to 40% of all remaining eligible but undistributed amounts in each subsequent month**, other than when distributions were paused due to a data security incident.



Overview of Plan Administrator's Report [Docket No. 7637] (cont'd)

Of the approximately 120,000 eligible creditors who have yet to receive a distribution, approximately 112,000 fall into one of the below categories:

- approximately **50,000** eligible creditors at PayPal have received a claim code that they have not yet redeemed;
- approximately **44,000** eligible creditors at Coinbase need to open a Coinbase account or update the email address and date of birth on their Coinbase account to match the information on their Celsius account;
- approximately **11,000** eligible creditors at Coinbase have an open Coinbase account but some action is still pending before a distribution can be attempted, such as completing Coinbase's KYC process;
- approximately **5,000** eligible creditors have not cashed checks issued by the Plan Administrator (many of whom will be transitioned to Hyperwallet); and
- approximately **2,200** eligible creditors have a Cash distribution that is currently in process.

In September, the Plan Administrator expects to offer creditors expected to receive a Liquid Cryptocurrency distribution the option to receive a Cash distribution (specifically, the Plan Administrator would sell the electing creditor's Liquid Cryptocurrency for Cash at market prices and distribute the proceeds of that sale to the creditor in Cash).



Overview of Plan Administrator's Report [Docket No. 7637] (cont'd)

The majority of eligible creditors who not yet received their distribution overwhelmingly have small distributions and may not be incentivized to take the steps needed to successfully claim a distribution.¹

Size of Creditor Distribution	Number of Creditors Who Have Not Received a Distribution
Less than \$100	60,121
\$100 - \$1,000	40,463
\$1,000 - \$10,000	11,526
Greater than \$10,000	2,287
TOTAL:	114,397

1. This chart does not include those creditors who are ineligible to receive a distribution either because their Claim is being held back pursuant to the Plan or their account is missing essential compliance information necessary to make a distribution.



Overview of Plan Administrator's Report [Docket No. 7637] (cont'd)

It is expected that not all creditors will take the required actions to claim a distribution. Any unclaimed amounts will be redistributed to creditors as contemplated by the Plan.

- Currently, 68% of eligible creditors, and 93% by value, have claimed a distribution.
- Under the prior Custody distribution process, only 68% of all eligible creditors, and 96.6% by dollar amount, ever claimed a distribution, and that process simply required an eligible creditor to enter the Celsius app and withdraw their eligible Cryptocurrency.
- By contrast, the current distribution process is more complicated and requires creditors to take more steps, including signing up for a new service (PayPal or Coinbase) and passing applicable KYC requirements or providing accurate information for the Plan Administrator to make a Cash distribution.



Creditor Claim Distributions Status (as of July 28, 2024 **Aug 26, 2024**)

By Distribution Partner	Currently Eligible	\$ Successfully Distributed	% of Value Distributed	% of Creditors Distributed
PayPal/Venmo (Crypto) ¹	\$1.50 B	\$1.42 B 1.43 B	95 % 96 %	70 %
Coinbase (Crypto)	\$1.00 B 997 M	\$899 M 917 M	90 % 92 %	69 %
Stretto/Hyperwallet (USD) ²	\$227 M 232 M	\$159 M 178 M	70 % 77 %	26 %
	\$2.73 B	\$2.48 B 2.53 B	91 % 93 %	68 %

~~93% of Total Crypto Distributed~~

94% of Total Crypto Distributed

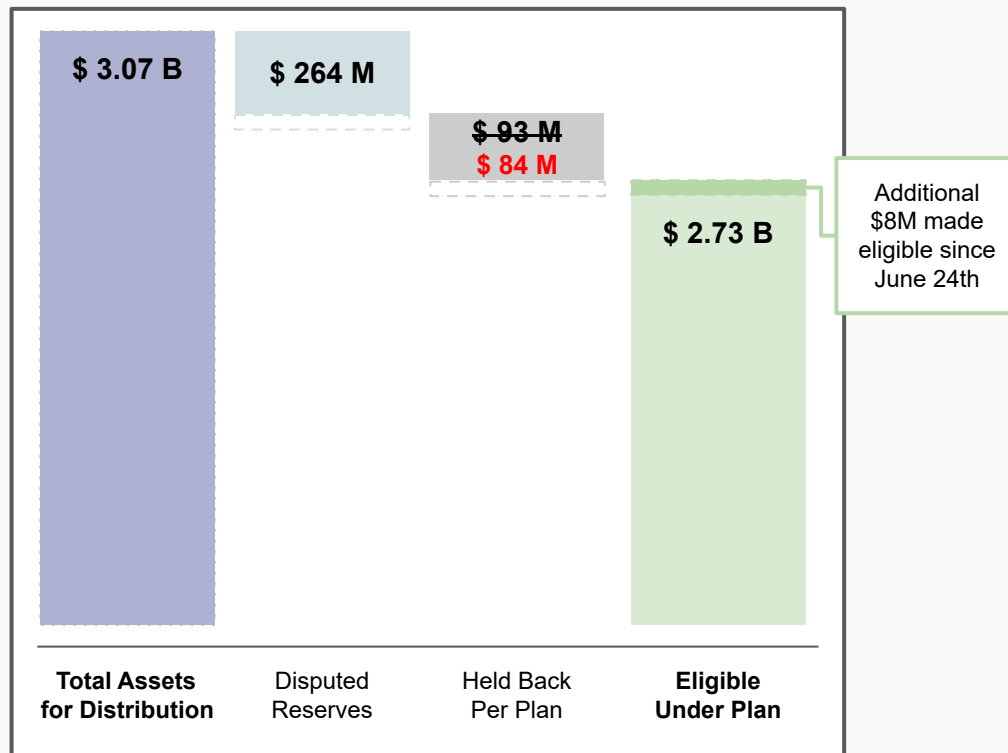
Since June 24th - ~~\$66mm~~ **\$100M** in distributions and the currently eligible increased by \$8M

1. Creditors who fail onboarding at PayPal/Venmo will be attempted at Coinbase, and creditors who fail onboarding at Coinbase, will migrate to US Dollars (USD) distributions. This will cause "Currently Eligible" amounts to change over time as distributions are reassigned to new partners. 2. Includes \$926K attempted Hyperwallet distributions and \$261K in successful Hyperwallet distributions.



Asset Distribution Waterfall Review

- **Total Assets for Distribution** Total Assets available for distribution as of the emergence date*
- **Disputed / Unliquidated Claims Reserve** Reserves for unliquidated and disputed claims, as well as claims that have not been fully reconciled
- **Held Back Per the Plan** Claim distributions that are held back until creditor resolution. Ex. outstanding Withdrawal Preference Exposure (WPE)
- **Currently Eligible Under the Plan** Assets available for distribution excluding general reserve and reserves held back per the plan



*Consistent with the Plan and the Notice of Emergence filed at docket 4298, the chart above utilizes crypto pricing as of January 16, 2024.

*Chart above reflects liquid crypto and fiat distributions only (i.e. excludes any recovery on account of Mining Co equity distributions).



- Started USD distributions via PayPal Hyperwallet and will scale this to creditors who have had issues receiving wires and checks
- Continue cadence of alternating weekly distributions (one week newly eligible, and the next week reattempts and reroutes)
- Proactive outreach campaigns to creditors to resolve issues and raise awareness, including weekly e-mails to creditors reminding them to claim their distribution
 - PayPal
 - 50K+ creditors who have active (i.e. “unredeemed”) claim codes
 - Coinbase
 - 45K+ creditors who have not yet set up a Coinbase account
 - 10K+ creditors who have not been able to pass Coinbase KYC
- Transition creditors from a Liquid Cryptocurrency distribution to a Cash distribution through an election process